

Message Text

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67

ORIGIN NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 MC-02 ACDA-19

IO-14 /184 R

DRAFTED BY DOD/DSAA:MR. HOENIG:NEA/ARP:GQLUMSDEN,JR:GJ

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DOD/AF-GEN. PRICE

PM/SAS-DFARNHAM

NEA/ARP-FMDICKMAN

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P R 120105Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT PRIORITY

INFO AMEMBASSY JIDDA

AMEMBASSY TEHRAN

AMCONSUL DHAHRAN

AMEMBASSY AMMAN

S E C R E T STATE 074623

E.O. 11652:GDS

TAGS:MASS KU

SUBJECT:FMS KUWAIT - AIRCRAFT

REF: (A) KUWAIT 1238, (B) KUWAIT 1188, (C) JIDDA 1580

(D) JIDDA 1666, (E) AMMAN 1648

1. EVEN THOUGH SHAYKH SAAD HAS INDICATED GOK PREFERENCE
FOR MIRAGE AND JAGUAR, WE STILL HAVE NO POSITIVE
INFORMATION CONTRACTS WITH FRENCH AND BRITISH HAVE BEEN

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SIGNED. YOU WERE THUS AUTHORIZED TO KEEP TALKING WITH

MINISTER RE F-5E AND A-7 AND TO SUBMIT LETTERS OF OFFER FOR THESE AIRCRAFT IF YOU BELIEVE SUCH ACTION TO BE APPROPRIATE.

2. ADDITIONALLY, IN A FEBRUARY 4 LETTER TO MUNITIONS CONTROL MCDONNELL-DOUGLAS SOUGHT QUOTE ADVISORY OPINION AS TO WHETHER THERE WOULD BE ANY OBJECTION TO OUR OFFERING A-4M/TA-4 SKYHAWKS FOR SALE TO SAUDI ARABIA, KUWAIT UNQUOTE AND SEVERAL OTHER STATES.

3. SINCE KUWAITIS APPARENTLY CONTINUING TO AGONIZE OVER FINAL MIRAGE, JAGUAR, F-5, A-7 CHOICE, WE WONDER WHETHER IT WOULD BE WISE BOTH TO ADD YET ANOTHER VARIABLE -- THE A-4 -- INTO THEIR ALREADY COMPLICATED DELIBERATIONS, AS WELL AS TO UNLEASH ADDITIONAL COMMERCIAL INTERESTS HERE AND IN KUWAIT WHICH WOULD BE INTERESTED IN PROMOTING A MCDONNELL-DOUGLAS SALE.

4. FRENCH, AND POSSIBLY BRITISH TOO, CURRENTLY SEEM TO HAVE EDGE ON US RE FIGHTER AIRCRAFT SALES TO KUWAIT, AND IF INJECTION OF LATE STARTER LIKE A-4 MIGHT SERVE TO SLOW DOWN OR BLOCK OUR COMPETITOR'S PROGRESS, WE WOULD BE PREPARED TO SUPPORT ITS PRESENTATION EVEN AT THIS LATE DATE. HOWEVER, WE WOULD NOT RPT NOT DO SO WITHOUT EMBASSY CONCURRENCE. FOR TIME BEING, THEREFORE, WE INTEND TO ADVISE MCDONNELL-DOUGLAS WE WOULD PREFER NOT RPT NOT TO CREATE KUWAITI INTEREST IN A-4.

5. RE F-5: THIS REMAINS OUR PRINCIPAL CONTENDER FOR FIGHTER APPLICATION. YOU SHOULD STRESS TO GOK THAT OUR F-5 LETTER OF OFFER CONTAINS NOT ONLY A/C, BUT ALSO EQUIPMENT TO MAINTAIN AND OPERATE COMPLETE FIGHTER WING. ASSOCIATED WITH L/O (BUT NOT YET PRESENTED) IS COMPLETE MANPOWER/TRAINING PACKAGE. THIS WOULD GIVE KAF NUCLEUS FROM WHICH TO COMMENCE ORDERLY MODERNIZATION PROGRAM, WHICH EVENTUALLY WOULD RESULT IN AN AIR FORCE MANNED AND MAINTAINED BY KUWAITIS RPT KUWAITIS. CONCUR WITH YOUR RATIONALE PAR 6 REF (A).

6. RE A-7: THIS AIRCRAFT DEFINITELY REMAINS VIABLE
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CONTENDER FOR KAF ATTACK REQUIREMENT, PARTICULARLY IF HIGH LEVEL GOK RESISTANCE TO ALL-EUROPEAN AIRCRAFT BUY IS GENUINE. AS FOR 2.39 DOLLARS VS. 3.068 MILLION DOLLARS FLYAWAY PRICE FOR A-7, WE UNSURE WHO GENERATED LOWER PRICE. SUSPECT IT MAY HAVE BEEN CONTRACTOR. HOWEVER, CONSIDERING TODAY'S INCREASED LABOR AND OVERHEAD RATES AND SMALLER NUMBERS OF AIRCRAFT BEING PRODUCED, BEST ESTIMATED A-7 FLYAWAY COST IS 3.068 MILLION DOLLARS,

AND NO RPT NO CHANGES SHOULD BE MADE IN YOUR A-7 L/O.

7. CONCERNING YOUR SUGGESTION THAT SAUDI F-5E'S REFUEL
IN KUWAIT, WE BELIEVE JIDDA 1666 IS CLEAR ON THIS
SUBJECT.

8. HOENIG CAN AMPLIFY ABOVE PARAGRAPHS, UPON WHICH WE
WOULD APPRECIATE YOUR COMMENTS. HAS A-7 L/O ACTUALLY
BEEN PRESENTED TO MOD? KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, FIGHTER AIRCRAFT, MILITARY SALES, NEGOTIATIONS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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